

## Currency outlook for the Week 12 May – 16 May 25-Venkat's Blog

#syfx.org #Dollar Index #EUR #GBP #JPY

### Dollar index (DXY)



(Chart image source: TradingView.com)

The Dollar index is attempting to stabilize with a consolidation. It remains still in the descending channel. The market is skeptical on Dollar strength which technically appears to be at the cross roads. The 90 day pause on the reciprocal tariff will give a breather for the markets to settle down. We can expect the DXY to consolidate between 99.10 & 101.20. Only a breach on either side will attract attention for a review. A daily close above 101.30 could help the Index to spike towards 102.70. For now, we can conclude that the any spike higher towards 103 or higher would be met with sell-off. Only a daily close above 103.70 would imply that the DXY is heading for higher levels, which appears to be less probable at this point in time. Crucial levels to watch are the support at 99.10 & 98.70 and resistance at 101.30 followed by 102.70. There exists a possibility of a relief pullback towards 102.70 from where it might fall again.

### EUR



(Chart image source: TradingView.com)

The currency pair continues to be in a consolidation mode. Normally the currency pair will come under heavy selling pressure soon after hitting a peak. This time the fall seems to be measured. After getting rejected around 1.1500, the currency pair made a third weekly bearish candle. A break below 1.1220 would imply that the currency pair is likely to move towards 1.1130. The support at 1.1130 is expected to hold the pair is likely to continue in smaller range. The currency is expected to retain the buying interest. Expected range for the week 1.1130-1.1450 with a negative bias. Any breach of this range would see a quick move of 70-100 pips.

**Disclaimer:** The views expressed here are personal and not connected to SYFX Treasury Foundation. The views are for learning and reference purpose only.

## GBP



(Chart image source: TradingView.com)

The GBPUSD continues to be under consolidation mode. Though it made a bullish candle on the weekly, it has made lower high and lower low. The currency pair continued its momentum to scale higher while its counterpart EUR remained stagnant. The relative values got adjusted through EURGBP. The pair is seen moving in an ascending channel. Any pullback will be supported by buying interest around 1.3220 followed by 1.3140. We may expect a consolidation in a narrow range before finding further direction. The expected range for the week is 1.3220 and 1.3510 with a neutral bias. Breach on either side would make the pair move by another 75-100 pips in the direction of breach.

## JPY



(Chart image source: TradingView.com)

The JPY currency moved almost in a similar range as that of the previous week. It took the support of 142.30 and made a sharp recovery towards 146 and closed around 145. This move helped the Dollar Index to recover some of the losses. The pair continues to move in a descending channel and has a strong resistance at 146.50. With the current recovery the pair may consolidate between 143 & 146.50. A daily close above 146.50 would see another spike towards 148.

#Stay safe

**Disclaimer:** The views expressed here are personal and not connected to SYFX Treasury Foundation. The views are for learning and reference purpose only.